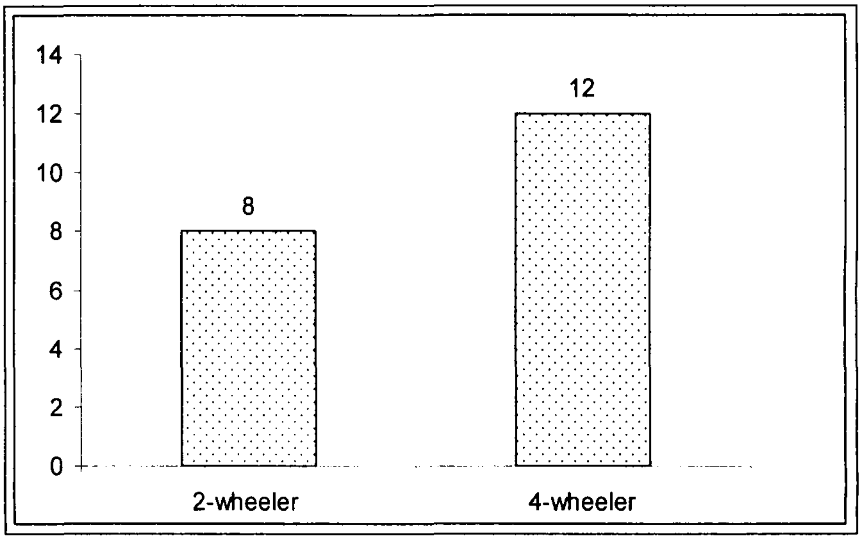
Chapter IV

Profile of the passenger vehicles manufacturers in Pune region

This chapter describes the profile of the passenger vehicles manufacturers in Pune region based on their responses to the questionnaire. The Study included twenty passenger vehicle manufacturers that had their distribution network in Pune region. These twenty passenger vehicle manufacturers comprised of eight 2 wheeler manufacturers and twelve 4 wheeler manufacturers. Figure 4.1 shows the manufacturers classified on the basis of the vehicle type.

Figure 4.1
Number of 2-wheeler and 4-wheeler manufacturers that have distribution network in Pune region.



Eight 2-wheeler manufacturers manufactured and sold different variants of 2-wheelers including motorcycles, scooters, 'step through' and gearless scooters. The twelve 4-wheeler manufacturers manufactured and marketed 4-wheelers (cars and multi-utility vehicles).

4.1 Channels of distribution employed by the manufacturers in Pune region

The manufacturers were asked about the different channels of distribution they employed to reach the customers. The channels of distribution engaged by the manufacturers to sell vehicles in Pune region is shown in the table 4.1.

Table 4.1
The channels of distribution through which the manufacturers sell vehicles in Pune region.

	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Exclusive dealer	8	12	20
Sub Dealers	5	2	7
Direct sell	3	2	5
Exclusive dealers for Exclusive Models	0	1	1

(Respondents were allowed to choose more than one option)

i. All the eight 2-wheeler manufacturers and twelve 4-wheeler manufacturers sold the vehicles through exclusive dealers,

ii. 7 manufacturers (five 2-wheeler and two 4-wheeler) employed sub-dealer channel to sell their vehicles in Pune region,

iii. 5 manufacturers (three 2-whheler and two 4- wheeler) also sold the vehicles directly to the customers,

iv. Two 4-wheeler manufacturers had exclusive dealers to sell exclusive models of vehicles in Pune region.

4.2 Number of dealers

Table 4.2 shows the number of dealers of that each manufacturer engaged to sell their vehicles in Pune region The dealers are located in the city area (places that are municipal corporations) and the district area (places other than the city area).It may be observed that the 2-wheeler manufacturers though are less than the 4-wheeler manufacturers they employ more dealers than the 4-wheeler manufacturers to sell their vehicles in Pune region.

Table 4.2

The number of dealers of each manufacturer in Pune region.

S.No.	Brand	Vehicles Manufactured	Total
1	Bajaj Auto Ltd	2-wheelers	6
2	Bajaj Tempo Ltd	4-wheelers	3
3	Daimler Chrysler India Pvt. Ltd	4-wheelers	1
4	Fiat India Pvt Ltd	4-wheelers	2
5	Ford India Pvt Ltd	4-wheelers	2
6	General Motors India Pvt Ltd	4-wheelers	1
7	Hero Honda Motors Ltd	2-wheelers	8
8	Hindustan Motors Ltd	4-wheelers	2
9	Honda Motorcycle and Scooter India (P) Ltd	2-wheelers	3
10	Hyundai Motor India Ltd	4-wheelers	2
11	Kinetic Engineering Ltd	2-wheelers	5
12	LML Ltd	2-wheelers	3
13	Mahindra & Mahindra Ltd	4-wheelers	3
14	Maruti Udyog Ltd	4-wheelers	4
15	Royal-Enfield (Unit of Eicher Ltd)	2-wheelers	3
16	Skoda Auto India Pvt Ltd	4-wheelers	1
17	Tata Motors Ltd	4-wheelers	2
18	Toyota Kirloskar Motor Pvt Ltd	4-wheelers	2
19	TVS Motor Company Ltd	2-wheelers	8
20	Yamaha Motor India (P) Ltd	2-wheelers	5
	Total		65

(Names and addresses of the manufacturers and the dealers are enlisted in the appendix A and B)

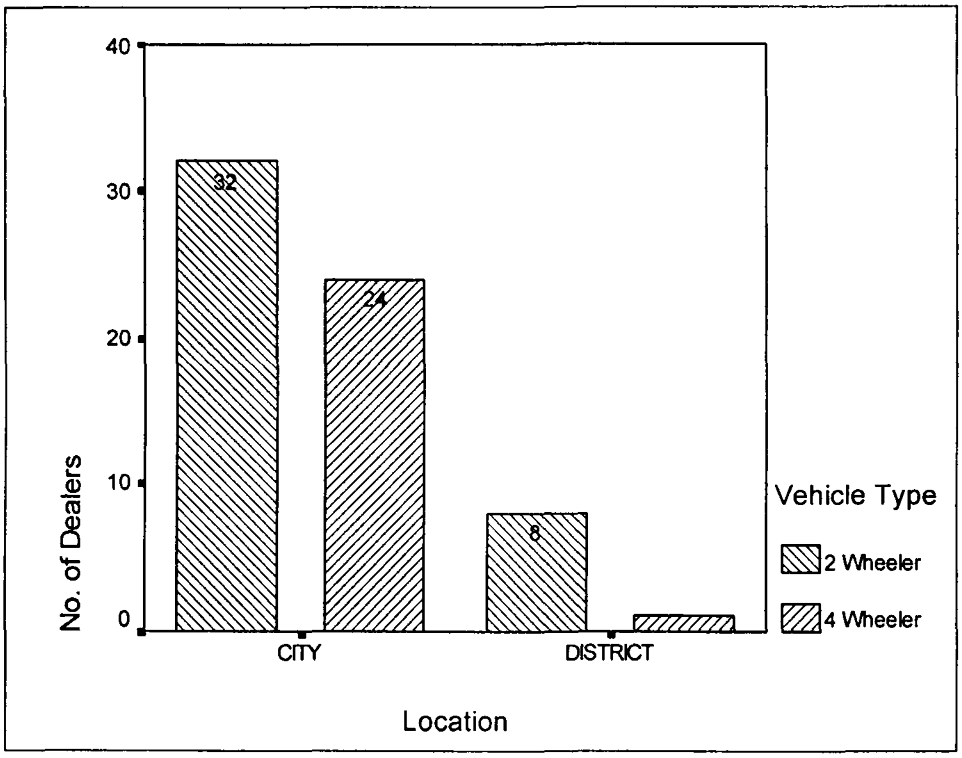
The location and the number of dealers engaged by the manufacturer are shown in the Table 4.3.It was seen that the 2-wheeler manufacturers have more number of dealers not only in the city area but also in the district area as compared to the 4-wheeler manufacturers.

Table 4.3

Location of the dealers.

Location of the dealers	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
City	32	24	56
District	8	1	9
Total	40	25	65

Figure 4.2 Number of 2-and 4-wheeler dealers located in the Pune region



4.3 Exclusivity of the dealers

Table 4.4 shows the exclusivity factors of the dealers in Pune region.

i. All the manufacturers sold their vehicles through exclusive dealers. To be more precise the manufacturers engaged dealers to sell only their brand. The dealers could sell vehicles manufactured by the manufacturer who they represented.

ii. 12 manufacturers had assigned specific geographical region to their dealers within which the dealers could operate.

iii. 16 manufacturers (Eight 2-wheeler and eight 4-wheeler) appointed dealers that were exclusive in terms of vehicles serviced. The dealers were permitted to service vehicles of only one brand.

iv. All the 2-wheeler manufacturers and eight 4-wheeler manufacturers permitted their dealers to stock and sell spare parts for their vehicles only.

Table 4.4
Factors of exclusivity of the dealers appointed by the manufacturers in Pune region.

Exclusivity factor	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Exclusive in terms of Sale of vehicle	8	12	20
Exclusive in terms of Territory of operation	5	7	12
After Sale, servicing of the vehicles	8	8	16
Spares parts stocked and sold	8	8	16

4.4 Factors taken into consideration while deciding the need of a dealer

As seen in the section 4.2 all the manufacturers did not have the dealers in all the places in Pune region. The researcher investigated the factors taken into consideration by the manufacturers in deciding the need of a dealer in city/town they are enlisted in table 4.5.

Table 4.5

Factors taken into consideration by the manufacturers while deciding the need of a dealer.

Factors	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Demography, population exceeding 1,00,000	7	7	14
Projected growth of the city	7	8	15
Presence of a competitor/competitors in the city	8	9	17
To increase market share	8	12	20
To provide present customer better after sales service	5	12	17

The factors of importance were enlisted and the manufacturers were asked to encircle the digit they felt was the appropriate weight to the factor they thought to be of importance. The weightage of 1 was the lowest weight and weight of 10 points was the highest. Table 4.6 shows the weightage assigned by the different manufacturers to the enlisted factors.

Table 4.6 The weightage assigned by the manufacturers in deciding the need of a dealer in Pune region.			
Factors	Weightage on a ten point scale	Vehicle Type	
		2 Wheeler	4 Wheeler
Demography	4.00	-	1
	5.00	1	2
	6.00	2	-
	7.00	-	2
	8.00	3	3
	9.00	2	2
	10.00	-	2
Competitor's Market share	4.00	-	2
	5.00	1	1
	7.00	3	1
	8.00	1	2
	9.00	2	4
	10.00	1	2
To increase market share	6.00	1	-
	7.00	-	4
	8.00	1	2
	9.00	4	2
	10.00	2	3
To provide needed after sales service	7.00	1	-
	8.00	1	2
	9.00	2	3
	10.00	4	7

i. It can be noticed from the tables 4.5 and 4.6 that three 2-wheeler and three 4-wheeler manufacturers thought that the demography of city/town was of importance and had given a weightage of 8 points on a ten point scale. One of the 4-wheeler manufacturers thought demography to be of lesser importance as weight of 4 points on a 10 point scale was assigned. Similarly, two 4-wheeler manufacturers thought the demography of city /town of utmost importance as they had assigned weight of 10 point on a ten point scale. 14 (seven 2-wheeler and seven 4-wheeler) responded that they would appoint a dealer in city/town the population of which exceeds one lakh. 15 manufacturers responded they would also take into consideration the projected socio-economic growth of city/town.

ii. 17 manufacturers would like to have a dealer in city/town where the competitor/s was/were present. Three 2-wheeler manufacturers believed that the competitor's share of sales in the market was of importance and assigned weight of 7 points. The weight of ten points was assigned by one 2-wheeler manufacturer and two 4-wheeler manufacturers.

iii. All the 20 manufacturers appointed dealers to increase their share in the market. Four 2-wheeler manufacturers decided the need of a dealer in city/town by assigning a weight of nine points on a ten point scale to the factor 'increase their share in the market'. Whereas as many as four 4-wheeler manufacturers had assigned weight of seven point on a ten point scale to this factor.

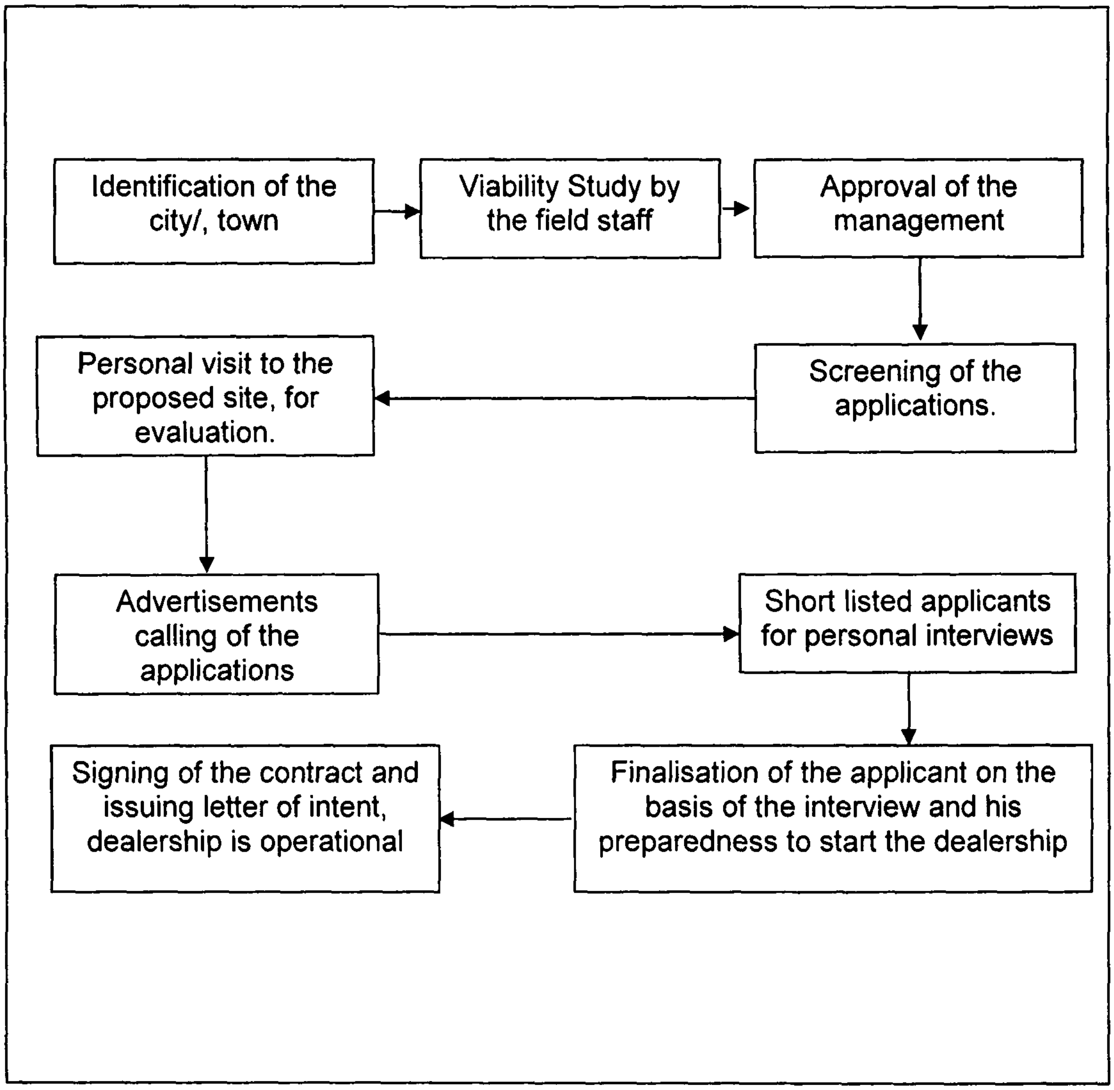
iv. 17 out of all the 20 manufacturers take into consideration providing the present customer's vehicles with better after sales service. Providing the customer's vehicles the needed after sales service was assigned highest weight of ten points on the 10 point scale by four 2-wheeler and seven 4-wheeler manufacturers.

4.5 Selection procedure of the dealers

Figure 4.3 shows the procedure followed by most of the manufacturers in selecting a dealer in Pune region. On the Basis of the factors discussed in section 4.4 the sales team prepares a dealer viability study report. 19 out of the 20 manufacturers responded that they carry out the viability study. The viability study mainly assesses the volume of sales, vehicles for servicing, the dealer would have to handle and whether the dealer would be able to break even financially if the dealer is appointed in city/town, taking into consideration his investments. An approval of the management is sought to appoint the dealer in city/town. Advertisements in the press are released calling for applications from the interested parties to take up the dealership in city/town. Applications are screened and short-listed. The sales team makes a personal visit to the proposed site of the dealership location. The field staff team sends report about the location with its recommendations. Short-listed applicants are called for personal interview. The contract is signed and the letter of intent is issued to the finalist on the approval of the management.

Figure 4.3

The flow chart of the dealer's selection process.



4.6 Preferences for dealer's premises

Table 4.7 shows the manufacturers' preferences about the dealer's premises.

Table 4.7

Manufacturers' preferences about the dealer's premises

Location of the dealer's premises	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Premises on main/arterial road	6	11	17
Premises located in the automobile market	7	7	14
Premises located in a business complex	2	3	5
Premises located on the periphery of the city	-	3	3
Premises located in a residential complex	-	2	2

(The respondents were allowed to choose more than one option)

i. 17 manufacturers (six 2-wheeler and eleven 4-wheeler) preferred premises located on the main/arterial road of city/town,

ii. 14 (seven 2-wheeler and seven 4-wheeler) manufacturers favoured premises located in the automobile market. (An automobile market is cluster of automobile dealers.)

iii. Premises located in the business complex were preferred by two 2-wheeler and three 4-wheeler manufacturers.

iv. Three 4-wheeler manufacturers felt the ideal location of the dealer's premises were located on the periphery of city/town.

v. None of the 2-wheeler manufacturers preferred premises of the dealer located in the residential complex, as against two 4-wheeler manufacturers had the preference for the same.

4.7 Profile of a dealer

The qualities that the manufacturers look in a person before appointing him as a dealer are enlisted in Table 4.8.

Table 4.8

Qualities of a dealer that manufacturers look for.

Qualities of the dealer	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Sound financial condition	8	12	20
Socially influential person	6	11	17
Good family background	7	9	16
Awareness about the automobile market	4	9	13
Age between 30 40 years	5	5	10

(The respondents were allowed to choose more than one option)

i. The most sought after quality of the dealer is his sound financial condition. All the 20 manufacturers looked for this quality in a person before appointing him as a dealer.

ii. The quality of a person being socially influential was looked for by 17 manufacturers (six 2-wheeler and eleven 4-wheeler).

iii. 16 manufacturers (seven 2-wheeler and nine 4-wheeler) manufactures looked for a person with good family background as their dealer.

iv. Awareness about the automobile market was a quality which 13 manufacturers looked in a person before appointing him as a dealer.

v. The age of the person between 30-40 years was preferred to qualify him as a dealer by five 2-wheeler as well as five 4-wheeler manufacturers.

4.8 Minimum investments and infrastructure expected to be made by the dealers

Table 4.9
Range of investment and infrastructure requirement of 2-wheeler manufacturers in different locations in Pune region.

Location	Investment in Rs		Area of showroom Sq.Mts		Front fascia. Mts		Area of the workshop Sq.Mts		number of respondents
	min	max	min	max	min	max	min	max	
Pune city	30 Lakhs	4 Crores	100	650	10	50	100	612	8
Pimpri-Chinchwad	30 Lakhs	4 Crores	100	550	10	40	60	350	7
Solapur City	20 Lakhs	1.5 Crores	100	500	10	40	100	600	7
District places	20 Lakhs	1.5 Crores	100	300	8	20	100	300	6

Table 4.9 shows the range (minimum-maximum) investment and the infrastructure requirements of different 2-wheeler manufacturers in Pune region. The range presented is based on the respondents' requirement.

Table 4.10 shows the range (minimum-maximum) of investment and the infrastructure requirements of different 4-wheeler manufacturers in Pune region. The range presented here is based on the respondents' requirement. It can be noticed from the table that there were four respondents who responded to question minimum and maximum requirements in Pune city and there ware three respondents who responded to the question for the Solapur city. The lesser investment requirement in Pune city is attributed to the factor that the manufacturer's requirements are lesser and he is not present in Solapur city.

Table 4.10

Range of investment and infrastructure requirement of 4-wheeler manufacturers in different locations in Pune region.

Location	Investment in Rs		Area of showroom Sq.Mts		Front fascia Mts		Area of the workshop Sq.Mts		number of respondents
	min	max	min	max	min	max	min	max	
Pune city	1 Crore	5 Crores	150	500	10	30	300	1200	4
Pimpri-Chinchwad	5 Crores	12 Crores	150	425	15	20	300	850	5
Solapur City	5 Crores	10 Crores	150	425	15	20	300	850	3
District places	2 Crores	8 Crores	150	350	13	17	200	800	3

4.9 Functions of dealers:

The manufactures expect the dealers to carry out different functions. The main functions of the dealers are:

i. Sale of vehicles
ii. Servicing of vehicles
iii. Stock and sale of spare parts.

Apart from these functions; the dealers are expected to carry out following functions:

i. Carrying out local sales promotion activities
ii. Gathering information about customer's preferences about the product
iii. Familiarising the customers about the product and
iv. Influencing the buying decision of the customers.

With foreign automobile manufacturers entering into the Indian market the dealers too had to perform some additional functions. Imparting the safe driving training to the customers is one such additional function which the dealers are supposed to perform. Honda motorcycle and scooter Pvt Ltd. company calls its dealers as 4's' dealers The 4's' being 'Sales, Service, Spares and Safety'.

4.10 How presence of the dealers help manufacturers

The researcher investigated the manufacturers' opinion about how the presence of the dealers helps them. Table 4.11 shows the response of the manufacturers.

Table 4.11

Presence of a dealer helps the manufacturers.

Factors	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Influencing customers' decision	7	10	17
Customer preferences	7	9	16
Reducing distance	5	8	13
Reducing time	4	6	10

(The respondents were allowed to choose more than one option)

i. 17 manufacturers felt the presence of the dealers helps them in influencing the customers in their buying decision.

ii. 16 manufacturers were of the opinion that the presence of a dealer helped them in better understanding of the customers' preferences about the product.

iii. 13 manufacturers believed that the presence of the dealers helped in reducing the distance between the place of production and the buyer.

iv. 10 manufacturers felt that the presence of a dealer reduces the time required to possess the vehicle by the customer.

4.11 Supply of vehicles to the dealers

Table 4.12 shows how the manufacturers supplied the vehicles to their dealers.

Table 4.12

Supply of vehicles to the dealers.

Supply of vehicles	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Place of production	5	8	13
Fixed lot size of same models	3	2	5
In lot size ordered by the dealer	5	9	14

i. 13 (Five 2-wheeler and eight 4-wheeler) manufacturers supplied vehicles to the dealers from the place of production.

ii. 5 manufacturers supplied vehicles in fixed 'lot size' of the same models of vehicles to the dealers. This suggested that the manufacturers had a predetermined 'lot size' of their supply and the dealers were expected to order that fixed 'lot size'.

iii. 14 manufacturers supplied vehicles to their dealers in lot size as ordered by the dealers.

4.12 Inventory maintained by the dealers

Table 4.13

Minimum stock level expected to be maintained by the dealers.

Vehicle Type	Manufacturers	Day's stock of the monthly average sales)
2-wheeler	Bajaj Auto Ltd	10
	Hero Honda Motors Ltd	20
	Honda Scooters and Motorcycles	7
	Kinetic Engineering Ltd.	20
	L M L Ltd.	30
	Royal-Enfield (Unit of Eicher Ltd)	30
	TVS Motor Company Ltd	10
4-wheeler	Daimler Chrysler India Pvt. Ltd	30
	Fiat India Pvt Ltd	15
	General Motors India Pvt Ltd	30
	Mahindra & Mahindra Ltd	15
	Maruti Udyog Ltd	30
	Skoda Auto India Pvt Ltd	15
	Tata Motors Ltd.	15
	Toyota Kirloskar Motor Pvt Ltd	10

Table 4.13 shows the different manufacturers' requirement of the minimum stock to be maintained by their dealers. The stock to be maintained depended on the monthly average sale of the dealer.

4.13 Financial support

Table 4.14 shows the number of manufacturers who supported their dealers financially. It may be noticed from the table that eight (two 2-wheeler and six 4-wheeler) manufacturers supported their dealers financially.

Table 4.14 Number of manufacturers who supported their dealers financially.			
	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Financial support	2	6	8

4.14 Targets for the dealers

The manufacturers set targets to their dealers. The dealers are expected to achieve these targets. The targets are set on different criteria. Table 4.15 shows the number of dealers those set targets for their dealers based on different criteria.

Table 4.15 The number of manufacturers that set targets for the dealers on different criteria.			
Targets based on	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Sales targets	8	12	20
Achieving Customer satisfaction	7	12	19
Achieving servicing of vehicle targets	6	11	17

i. All the 20 manufacturers set targets to their dealers for the sale of vehicles.

ii. 19 manufacturers set targets for achieving the customer satisfaction levels and

iii. 17 manufacturers set targets for achieving number of vehicles to be serviced by the dealers.

4.15 Involvement of dealers in launch of new models of vehicles and training the dealers

Table 4.16 shows the number of manufacturers who involved their dealers in launching of new models of vehicles.

18 out of all the 20 manufacturers involved their dealer in launching of new model of vehicles, as it can be seen from table 4.13

Table 4.16
Number of manufacturers those involve their dealers in launching of new model of vehicles.

Involve dealer in new product launch	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
	7	11	18

Table 4.17 shows the number of manufacturers those impart training to their dealers in different fields of training.

Table 4.17 Training imparted to the dealers by the manufacturers.			
Training to the dealers	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Impart training	8	12	20
Technical know how	7	12	19
In sales	7	12	19
In customer satisfaction	5	12	17

i. All the 20 manufacturers impart training to their dealers.

ii. 19 manufacturers (seven 2-wheeler and twelve 4-wheeler) impart training in the field of 'technical know-how'.

iii. 19 manufacturers (seven 2-wheeler and twelve 4-wheeler) impart training in the field of 'sales management'.

iv. 17 (five 2-wheeler and twelve 4-wheeler) manufacturers impart training to their dealers in the field of customer satisfaction.

4.16 Dealer's satisfaction

Table 4.18 shows the number of manufacturers who monitored their dealers' satisfaction

i. 18 (seven 2-wheeler and eleven 4-wheeler) manufacturers monitored their dealers' satisfaction. Each of these manufacturers had a system for this purpose. Some of the manufacturers even engaged third parties to evaluate their dealers' satisfaction.

ii. 18 manufacturers of which six were 2-wheeler and twelve 4-wheeler manufacturers believed that dealers were their first customers.

Table 4.18 Number of manufacturers those monitored the dealer's satisfaction			
Monitor Dealer's Satisfaction	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
	7	11	18

Table 4.19 shows the opinion of the manufacturers about the presence of the dealers in Pune region.

Table 4.19 Opinion of the manufacturers about the presence of dealers.			
Opinion about the dealers	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Dealers simply make money by selling your products	4	3	7
To help push your product in the market	6	8	14
Dealers are a medium to have the pulse of the market	7	11	18

(Respondents were allowed to choose more than one option)

i. When enquired about their opinion about the purpose of having dealers 7 manufacturers responded that the dealers simply make money by selling the vehicles manufactured by the manufacturers.

ii. 14 (six 2-wheeler and eight 4-wheeler) manufacturers opined that the dealers help in pushing the products in the market.

iii. 18 (seven 2-wheeler and eleven 4-wheeler) manufacturers believed that the dealers are the medium have the pulse of the market.

4.17 Relationship with the dealers

The manufacturers were asked to choose the best term to describe the relationship between them and their dealers. Table 4.20 shows the responses of the manufacturers to the terms they felt were the best to describe their relationship with their dealers.

Table 4.20

The best term to describe the relationship between the manufacturers and their dealers.

Best term to describe the relationship	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Business Partners	5	10	15
A part of family of the manufacturer	5	8	13
An agent to push your product in the market	1	3	4

(Respondents were allowed to choose more than one option)

i. 15 manufacturers (five 2-wheeler and ten 4-wheeler) described their relationship with the dealers as 'business partners'.

ii. 13 manufacturers (five 2-wheeler and eight 4-wheeler) felt the best term to describe their relationship with the dealers as 'a part of the family'.

iii. 4 (one 2-wheeler and three 4-wheeler) manufacturers described their relationship with the dealers as 'dealers being agents to push the products in the markets'.

4.18 Strategic location of the dealers

The manufacturers' opinion was sought about the belief whether their dealers were strategically located in Pune region. Table 4.21 enlists the manufacturers' responses.

Table 4.21
Manufacturers' belief about the dealers' are being strategically located.

Location of the dealer	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Strategically located	7	11	18
On a main / arterial road	7	12	19
In a automobile road	5	6	11
In a business complex	1	3	4
On the periphery of the city/town	-	4	4
In a residential complex	1	2	3

(Respondents were allowed to choose more than one option)

i. 18 (seven 2-wheeler and eleven 4-wheeler) manufacturers believed that their dealers were strategically located.

ii. In continuation 19 manufacturers felt as their dealers were located on the main/arterial road of city/town, the dealers were strategically located.

iii. 11 manufacturers felt their dealers were strategically located as they were present in the automobile market.

iv. 4 manufacturers felt their dealers were strategically located as the dealers had premises in the business complex and 4 manufacturers responded that as the dealers were located on the periphery of the city they were strategically located.

v. Only 3 manufacturers felt their dealers were strategically located as the dealers' premises were located in the residential complex.

4.19 Optimal number of dealers

The researcher wanted to find out the manufacturers opinion about the number of dealers of each manufacturer were optimal in Pune region. It can be seen from table 4.22, 16 manufacturers thought the number of their dealers in Pune region were optimal.

Table 4.22

The number of manufacturers who believed that the number of dealers were optimal.

Belief that the number of dealers are optimal	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
	5	11	16

(Respondents were allowed to choose more than one option)

The reasons to this belief were further enquired into. Table 4.23 shows reasons, for the manufacturers' belief.

It may be observed from table 4.23 that,

i. 15 manufacturers opined that the dealers were optimal as the dealers were present at the right place.

ii. 13 manufacturers felt that the number of dealers were optimal as the present dealers were performing to the expectations of the manufacturer.

iii. 12 (four 2-wheeler and eight 4-wheeler) manufacturers felt as the dealers were able to provide service to the targeted customers, the number of dealers in Pune region were optimal.

iv. 7 manufacturers thought the number of dealers in Pune region were optimal and feared that increase in the present number of dealers would affect the profits of the existing dealers.

v. 6 (four 2-wheeler and two 4-wheeler) manufacturers responded that the number of dealers in Pune region were optimal and thought if the number of dealers were to decrease it may affect the market share of the manufacturers' vehicles in the market.

Table 4.23

Different reasons for the manufacturers to believe the number of dealers are optimal.

Reasons to believe that the dealers in Pune region are optimal	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Dealers are present at the right place.	5	10	15
Dealers are performing to the expectations.	4	9	13
Dealers are able to provide service to the target customers.	4	8	12
Increase in dealers cause existing dealer's profit.	3	4	7
Decrease in the number of dealers may affect the market share.	4	2	6

(Respondents were allowed to choose more than one option)

4.20 Increase in number of dealers

Table 4.24 shows the number of manufacturers that have increased the number of dealers during last 5 years in Pune region.

19 (eight 2-wheeler and eleven 4-wheeler) manufacturers have increased the number of dealers in Pune region.

Table 4.24
The number of manufacturers who have increased their dealers in last 5 years.

	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Increased dealers in last 5 yrs	8	11	19

Table 4.25 shows the reasons for increasing the number of dealers in Pune region.

Table 4.25
Reasons for increasing the number of dealers in Pune region.

Reasons	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
To enhance market share	8	11	19
To provide customer with convenience	8	10	18
To provide customer with better after sales service	7	11	18
For geographical penetration	8	9	17

(Respondents were allowed to choose more than one option)

i. 19 manufacturers responded that they increased the number of dealers to enhance their market share in Pune region.

ii. 18 manufacturers were of the opinion that they increased the number of dealers for better accessibility to the customer's in Pune region.

iii. 18 manufacturers felt that they increased the number of dealers to provide the customers with better after sales services required for the vehicles in Pune region.

iv. 17 manufacturers responded that they had increased the number of dealers as they wanted to penetrate geographically in the market, in Pune region.

4.21 Decrease in the number of dealers

It can be noticed from table 4.26 that of all the 20 manufacturers only 4 (two 2-wheeler and two 4-wheeler) manufacturers had decreased the number of dealers in Pune region.

Table 4.26

The number of manufacturers that have decreased the number of dealers in Pune region.

Decreased the no of dealers	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
No	6	10	16
Yes	2	2	4
Total	8	12	20

The reasons for the decrease in the number of dealers are enlisted in table 4.27. 3 manufacturers had decreased the number of their dealers as the non-performing dealers were removed and one of the 4-wheeler dealers had opted for the dealership of another brand, there by decreasing the number of dealers of the pervious manufacturer.

Table 4.27 Reasons for decreasing the number of dealers in Pune region.			
Reasons for decrease in Number of dealers in Pune region	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Non performing dealers were removed	1	2	3
The dealer opted for dealership of other brand	-	1	1

4.22 Plans to change present channels of distribution

The manufacturers were asked if they had any plans to change their present design of channels of distribution. Table 4.28 shows their responses.

Table 4.28 Number of manufacturers who plan to change their channels of distribution.			
Change the present channel of distribution	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
No	6	12	18
Yes	2		2

Two 2-wheeler manufacturers planned to change the present distribution channels. None of the 4-wheeler manufacturers had any plans to change the present design of the distribution channels, even though, seven 2-wheeler manufacturers and eleven 4-wheeler manufacturers felt that the 'Internet would be an effective channel of distribution in the times to come.

Table 4.29 Opinion of the passenger vehicles manufacturers about 'Internet' being an effective channel of distribution in the near future.			
Internet is an effective channel	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
No	1	1	2
Yes	7	11	18

4.23 Idea about new channel of distribution

The viewpoint of the passenger vehicles manufacturers about an idea of selling different brands of vehicles under the same roof is presented in table 4.30.

Table 4.30 Viewpoint of the manufacturers about an idea of selling different brand of vehicles under the same roof.			
Opinion about selling different brand under the same roof	Vehicle Type		Total
	2 Wheeler	4 Wheeler	
Good Idea	3	2	5
Not a practical Idea	3	7	10
Not accepted as it will deviate from conventional exclusiveness	3	3	6
It will help to enhance customer convenience	3	2	5

i. 5 manufacturers (three 2-wheeler and two 4-wheeler) felt it was a good idea to sell different brands of vehicles under the same roof.

ii. 10 (three 2-wheeler and seven 4-wheeler) manufacturers opined it was not a practical idea to sell different brands of vehicles under the same roof.

iii. 6 (three 2-wheeler and three 4-wheeler) manufacturers considered the idea of selling different brand of vehicles under the same roof was not acceptable as it will deviate from the conventional exclusiveness attached to selling of automobiles.

iv. 5 manufacturers felt by selling different brands of vehicles under the same roof will help enhance customer convenience.

The researcher believes that the profile of the manufacturers presented in this chapter will give an idea about the overall activities that are undertaken by the manufacturers their distribution channels.